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Senate

PRESCRIPTION DRUG AND MEDICARE IMPROVEMENT ACT OF 2003

Mr. CARPER. Mr. President, when I ran for the U.S. Senate, I promised Delawareans that I would work in a bipartisan fashion to provide a Medicare prescription drug benefit for our Nation's seniors. I pledged that I would seek consensus around what is right with competing Republican and Democratic plans. Along with my Democratic colleagues, I would support voluntary coverage that is available and affordable for all seniors. Along with my Republican colleagues, I would support choice and competition to constrain costs. And to the extent we found ourselves constrained by limited resources, I would seek to provide the greatest assistance to those with the greatest needs.

The bill before us today achieves some of that vision. It is bipartisan. It will provide a benefit available to all seniors on a voluntary basis. It will harness market forces to strengthen the integrity of the Medicare Program for the future. And it will provide comprehensive health security to our most vulnerable, low-income seniors.

Still, the bill we have before us today is not everything I would have hoped for. The overriding priority of the current majority here in Congress has been to make dramatic reductions in Federal revenues without

corresponding reductions in Federal spending. As a result, there is insufficient money in the budget under which we are currently operating to provide the kind of comprehensive coverage that all seniors—not just low-income seniors—truly deserve. This is an unfortunate choice of priorities, I think, but it is the choice that this President and this Congress have made.

Unfortunately, the consequences of the majority's misguided priorities are evident in this legislation. When Medicare was created, the idea was to provide seniors with health coverage that was similar to the coverage available to most working Americans through their employers. This is what seniors expect when we say that we are providing them with a Medicare prescription drug benefit. However, the majority has only set aside for this bill about half of what it would take, according to the Congressional Budget Office, to provide seniors a benefit comparable to standard employer-provided coverage. Thus, there is a very noticeable gap in this bill's coverage, reflective of a substantial hole in our Nation's budget.

When seniors reach \$4,500 in prescription drug costs, the coverage in this bill gives out. It does not kick back in until total spending reaches \$5,800. It is widely

acknowledged that this makes no sense. It makes no sense from an insurance perspective. It certainly is not reflective of the standard either in private employer-provided coverage or in the coverage provided to those of us who are fortunate enough to serve as Members of Congress. Nobody likes this gap in coverage. Nobody, so far as I can tell, defends it. However, because the root of problem is the majority's failure to set aside sufficient resources for this program, efforts to deal with the problem have only created new and potentially more serious difficulties.

For example, the authors of this legislation have attempted to narrow the coverage gap by not allowing employer contributions to count towards the calculation of seniors' out-of-pocket spending in the gap. To see how this works, we need to understand how the coverage gap works. Once seniors reach \$4,500 in total drug costs, they fall into the coverage gap. They then have to spend a certain amount of their own money—in the final bill reported out of the Finance Committee it is \$1,300—before their coverage resumes, or they get out of the coverage gap.

The effect of not allowing seniors to count payments made by their retiree health plans toward this out-of-pocket requirement is to ensure that seniors will remain in the gap longer and fewer will get out of it. This allows the level of spending at which the gap ends to be set at a lower level than would otherwise be possible for the same budgetary cost. The problem with this, however, is that it also provides an unintended incentive for employers to drop or scale back their retiree drug coverage.

Thankfully, contributions from State prescription drug plans, like our Delaware Pharmacy Assistance Program, count toward

the out-of-pocket requirement, which should encourage States to “stay in the game.” Employers, though, are effectively barred from wrapping their coverage around Medicare in the way that would be most beneficial for their retirees, which would be by filing Medicare's coverage gap.

In the course of our consideration of this legislation here on the floor of the Senate, I have urged my colleagues to address these shortcomings in the bill, even if that means reconsidering the majority's budget plan and the resource allocation for this program. I supported an amendment by Senator BOXER to eliminate the gap in coverage. And I cosponsored an amendment offered by Senator ROCKEFELLER to allow employer-provided coverage to wrap around the Medicare benefit and thus to eliminate the incentive for employers to drop coverage for their retirees.

The majority has made clear, however, that they are unwilling to reorder their priorities or to explore the possibility of finding the necessary resources elsewhere in the budget to fix what they acknowledge are shortcomings in this legislation. Thus, the rest of us are left to choose between a prescription drug benefit that provides some, but not all, of the assistance that seniors deserve, or no prescription drug benefit at all.

Congress has been debating this issue for more than a decade. In many ways, it has been debating the issue since Medicare was first created back in 1965. I ran for the Senate in part because I was frustrated at the inability or unwillingness of the parties in Washington to come together to do what they could to solve problems and get things done. I am unwilling to walk away from the table this year with nothing for Delaware's

seniors. They have waited too long and the need is too great.

In light of the budgetary priorities of the Republican majority, I am also very concerned about our future prospects. Should we let the present opportunity pass us by? I am concerned that if we do not act to get started with prescription drug coverage this year, even the limited resources that now remain may go out the door for other purposes—most likely another round of top-heavy, upper bracket tax cuts.

This is a first step. It is a downpayment. Just as I pledged when I ran for the Senate to work in a bipartisan fashion to get results, I pledge today to continue to work to build on these results. I continue to believe that we should provide our seniors with quality coverage without caps or gaps. I will work to ensure that filling the gap of coverage that exists in the present bill is given greater priority in future budgets than it was in this year's Republican budget. I also believe that it is a mistake to shun rather than welcome employer efforts to wrap around the new Medicare benefit, and I will work to rectify that mistake as we move toward implementation of this program over the next few years.

Mr. President, it is often said that politics is the art of the possible. The bounds of the possible are a bit narrower now than they need, thanks to our Republican friends. But, as the ranking member of the Budget Committee has said, this may be the best bill that could be written under the constraints of the Republican budget. For that reason, I commend the authors of this legislation—Chairman GRASSLEY and Senator BAUCUS, among others—for their work. I urge my colleagues to support this compromise as an important, if limited, first

step toward addressing what clearly is a pressing priority, not just for our elderly population, but for our Nation as a whole.